

Parts Manager Conversation

Collaborate with your Parts Manager to answer the following questions. Use this opportunity to share new ideas from the class and to coach your Parts Manager on how they can be implemented. Be sure to respect their expertise. **Provide your answers in a different color font.**

1. What formal parts management training does your parts manager have (for example, the NADA Academy Seminar)? **NADA**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **Our entire organization goes by the same mission statement : To Love and inspire each other to be the best we can be, and to build relationships that last forever.**
3. Have you ever tracked your First Time Fill Rate (FTFR) manually (not using the DMS or your OEM)? What is your current Repair Order FTFR? **I'm not sure I want to track our fill rate manually with all the transactions going on. Usually it's around 86-88%**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **Off the top of my head I did not but Harper showed me the FS Parts Template he completed in class and those numbers were RO: 40.71ytd% Internal: 7.91ytd% Warranty: 22.73ytd% Body Shop: N/A Counter Retail: 3.69ytd% Wholesale: 16.93ytd% Total Inside Sales: 59% Outside Sales: 41%**
5. What policies, controls, and security are in place on your DMS (via Privileges and/or the Exception or Deviation Reports) to prevent counter people from changing the pricing structure during daily transactions? **The entire inventory is set to price accordingly. Based off customer type, RO line type, price codes, sources etc....there also is a GP profit warning indication and report you can pull to see what's going on.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **All the above - usually line type deviation to be sneaky**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes - parts managers and fixed director - about a year old**
8. If you are in a Retail Reimbursement for Warranty state, are you at retail for warranty? If not, when was the last time you petitioned the OE for retail reimbursement? **We run the highest warranty reimbursement in NC. A markup of 116%**

9. Do the Parts, Service and Body Shop Managers work with the Office Manager/Controller monthly to follow up on all Work in Process (WIP) documents. Do they verify that all parts invoices and repair orders are closed out in a timely manner? What does this look like? **All the time, 225 usually needs some love to keep clean with minor mistakes. I go through as much as I can the last day of the month to sling max gross.**
10. Is the financial statement for the Parts department given to the manager and discussed on a weekly/monthly basis? If not, is a daily operating report of sales, gross profit, etc., provided to the Parts Manager for review (DOC)? **I pull the statement multiple times a day just to watch.**
11. What is your retail pricing strategy for your Parts department? How often do you check to see whether your pricing goals are being achieved? **We run an automated matrix that mirrors the retail RO parts prices. Verified by GP% on FS....most parts guys want to make their money and wont deviate unless absolutely necessary to avoid customer dissatisfaction.**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **I usually look at the discounts used at least once a week.**
13. Do you have a Parts online eStore? How do you ensure that parts order forms/queries are responded to in a timely manner? Who gets the email leads/questions? **Our wholesale guys are actively watching for orders to come in. Just a normal part of the day. Everyone gets a notification at once.**
14. What sales training is available to Parts personnel? If training is available, is it mandatory? How often are sales skills assessed, tested, and refreshed? **GM has some mandatory sales person classes once a year. The rest is usually assessed weekly when we go over where everyone is at in meetings.**
15. Do you have a process to offer accessories to 100% of your New and Used customers? If so, what does it look like? If not, why not? **We have a process to bring sales customers by every department of the dealership. 100% would be questionable though.**
16. What would help you sell more accessories? **Stop taking them off vehicles for credit...**
17. Do you review your wholesale customers to see if their sales, gross, and returns justify the expense of conducting business with them? How often are they reviewed? **I usually get flags raised out of shipping and receiving when they see an abundance of returns from a specific customer. I'll also review the customer purchase history and compare return \$ vs sales and gross \$ maybe once a month or so.**

18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? Like on number 4 of this questionnaire I did not know off the top of my head and it is not something I track on a regular basis. While speaking to Harper his calculation for our Parts Sales per counter personnel to break even is at \$2,787.00
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? Monthly reconciliation
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? Yes, we use the NADA lost sale guide. You didn't make the sale. No transaction was recorded.
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? BDC actively reviews special order list to schedule appts and pickups. Counter person will also follow up if it ages too long.
22. In your store, what do you feel is the biggest cause of frozen capital and/or obsolescence? What is the current dollar value of your obsolescence? 300kish - not prepaying for parts on RO's causing return reserves to burn quickly leaving less money to clean up obso.
23. What is your phase in/phase out strategy? How do you balance this strategy with factory recommended stocking guidelines (RIM, ARO, Parts Eye, etc.)? RIM is hard to run with modern strategies since they have it set to return old inventory at 15 months.... quite a bit longer than the usual 12m obso. Stocking IN I try to run 2 hits in 6 months and phase OUT I try to dwindle things out around 8-12.
24. On a scale of 1-10 (10 = expert level) what is your level of understanding of the information that is on your DMS's monthly summary? 10
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? Force service departments to have customers prepay for non-warranty ordered parts.